Government of Saskatchewan

Financial Statement 2001-2002

Northlands College

103-00622/

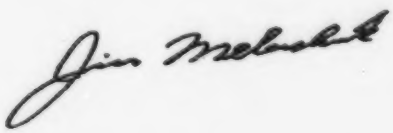
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Northlands College for the year ending June 30, 2002.

Respectfully submitted,



Jim Melenchuk
Minister of Learning

MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

To: The Directors of Northlands College

We have audited the statement of financial position of Northlands College as at June 30, 2002 and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these financial statements for the Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Chartered Accountants
Prince Albert, Saskatchewan
August 30, 2002

Statement 1

Northlands College
Statement of Financial Position
as at June 30, 2002

	2002			2001
	Operating	Capital	Total	Total
Assets				
Current Assets				
Cash	$ 2,960,759	$ -	$ 2,960,759	$ 2,889,606
Accounts receivable (note 3)	807,040	-	807,040	684,446
Prepaid expenses	35,304	-	35,304	31,054
	3,803,103	-	3,803,103	3,605,106
Non-current Assets				
Capital Assets (note 4)	-	2,230,945	2,230,945	2,201,009
	$ 3,803,103	$ 2,230,945	$ 6,034,048	$ 5,806,115
Liabilities				
Current Liabilities				
Accrued salaries and benefits	$ 642,198	$ -	$ 642,198	$ 615,430
Accounts payable & accrued liabilities (note 5)	459,363	-	459,363	299,325
Unearned revenue (note 6)	1,257,560	-	1,257,560	1,030,609
	2,359,121	-	2,359,121	1,945,364
Net Assets				
Invested in capital assets	-	2,230,945	2,230,945	2,201,009
Internally restricted (note 7)	889,045	-	889,045	840,585
Unrestricted	554,937	-	554,937	819,157
	1,443,982	2,230,945	3,674,927	3,860,751
	$ 3,803,103	$ 2,230,945	$ 6,034,048	$ 5,806,115

See accompanying notes to financial statements

On behalf of the Board:

Director

Director/CFO

Northlands College
Statement of Operations
for the year ended June 30, 2002

Statement 2

	2002 Budget (Note 8)	2002 Operating	2001	2002 Capital	2001	2002 Total	2001 Total
Revenues (Schedule 1)							
Saskatchewan Learning	$ 8,898,107	$ 8,757,418	$ 8,613,454	$ -	$ -	$ 8,757,418	$ 8,613,454
Federal government	765,348	958,381	749,531	-	-	958,381	749,531
Other revenues	2,239,022	2,741,593	2,728,827	-	-	2,741,593	2,728,827
Total revenues	11,902,477	12,457,392	12,091,812	-	-	12,457,392	12,091,812
Expenses (Schedule 2)							
Contractual & Professional Services	2,700,199	3,305,187	3,612,054	-	-	3,305,187	3,612,054
Rentals	1,157,689	726,515	812,728	-	-	726,515	812,728
Repairs and maintenance	382,609	257,757	267,889	-	-	257,757	267,889
Amortization	192,081	-	-	305,950	318,376	305,950	318,376
Operating expenses (schedule 3)	2,148,815	2,119,639	1,754,770	-	-	2,119,639	1,754,770
Personal services	6,064,753	5,928,168	5,399,823	-	-	5,928,168	5,399,823
Total expenses	12,646,146	12,337,266	11,847,264	305,950	318,376	12,643,216	12,165,640
Excess of revenues over expenses	$ (743,669)	$ 120,126	$ 244,548	$ (305,950)	$ (318,376)	$ (185,824)	$ (73,828)

See accompanying notes to financial statements

Northlands College
Statement of Changes in Net Assets
for the year ended June 30, 2002

Statement 3

	2002				2002 Total	2001 Total
	Capital	Operating				
		Restricted				
	Invested in capital assets	Externally	Internally	Unrestricted		
Net assets, beginning of year	$ 2,201,009	$ -	$ 840,585	$ 819,157	$ 3,860,751	$ 3,934,579
Excess of revenues over expenses	(305,950)	-	-	120,126	(185,824)	(73,828)
Interfund transfers	335,886	-	48,460	(384,346)	-	-
Net assets, end of year	$ 2,230,945	$ -	$ 889,045	$ 554,937	$ 3,674,927	$ 3,860,751

See accompanying notes to financial statements

Statement 4

Northlands College
Statement of Cash Flows
for the year ended June 30, 2002

	2002	2001
Cash flows from operating activities		
Excess of revenues over expenses	$ (185,824)	$ (73,828)
Amortization of capital assets	305,950	318,376
	120,126	244,548
Changes in non-cash working capital		
Increase in accounts receivable	(122,594)	(24,299)
Decrease (Increase) in prepaid expenses	(4,250)	44
Increase in accrued salaries and benefits	26,768	-
Increase (Decrease) in accounts payable and accrued liabilites	160,038	189,955
Decrease (Increase) in unearned revenue	226,951	(286,033)
Cash provided from operating activities	407,039	124,215
Cash flows from investing activities		
Purchase of capital assets	(335,886)	(165,270)
Cash used in investing activities	(335,886)	(165,270)
Net increase (decrease) in cash and cash equivalents	71,153	(41,055)
Cash and cash equivalents, beginning of year	2,889,606	2,930,661
Cash and cash equivalents, end of year	$ 2,960,759	$ 2,889,606

See accompanying notes to financial statements

Northlands College
Notes to the Financial Statements
June 30, 2002

1. PURPOSE AND AUTHORITY

Northlands College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. Northlands College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long-term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

b) Revenue Recognition

The College follows the restricted fund method of accounting for grants. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course of instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) **Capital Assets**
Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Capital assets are amortized on a straight-line basis over their estimated useful lives and is reported as an expense in the capital fund as follows:

Buildings	10 to 20 years
Furniture and equipment	3 to 10 years
Leasehold improvements	Term of lease or useful life

d) **Cash and Cash Equivalents**
Cash and cash equivalents are represented by cash on hand and balances with banks.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2002	2001
Saskatchewan Learning	$ 164,232	$ 163,577
Federal Government grant	-	67,884
Other	642,808	452,985
	$ 807,040	$ 684,446

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2002 Net Book Value	2001 Net Book Value
Land	$ 11,503	$ -	$ 11,503	$ 11,503
Buildings	3,591,166	1,750,200	1,840,966	1,984,554
Furnishings & Equipment	1,071,812	915,542	156,270	129,995
Leasehold Improvements	291,613	69,408	222,205	74,958
	$ 4,966,094	$ 2,735,150	$ 2,230,944	$ 2,201,009

5. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

Accounts payable are composed of the following:

	2002	2001
Saskatchewan Learning	$ -	$ 23,059
Government of Saskatchewan – other	109,353	(808)
Federal Government	-	(1,485)
Other	350,010	278,559
	$ 459,363	$ 299,325

6. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2002	2001
Saskatchewan Learning	$1,017,050	$ 868,856
Federal Government	46,921	70,494
Other	193,589	91,259
	$1,257,560	$1,030,609

7. RESTRICTIONS ON NET ASSETS

The Board of Directors of Northlands College have placed internal restrictions on $889,045 (2001 – $840,585) of unrestricted net assets to be used for various purposes as indicated on Schedule 4.

External restrictions have not been placed on net assets used by Northlands College.

8. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on May 17, 2001. The Minister approved the budget on February 12, 2002.

9. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of

Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

	2002	2001
SaskTel	$ 107,524	$ 108,150
SaskPower and SaskEnergy	60,288	56,045
Saskatchewan Property Management Corporation	589,149	404,790
	$ 756,961	$ 568,985

The College receives long distance telephone service between major centres from SaskTel, a related party, at reduced rates available to government agencies.

The College brokers course programs from Saskatchewan Institute of Applied Science and Technology (SIAST) based on negotiated rates. The amount expended during the year amounted to $1,045,221. As at year-end, $180 (2001 – $5,250) was receivable from and $40,197 (2001 - $16,579) was payable to SIAST.

10. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of accounts receivable, accounts payable, and accrued benefits.

a) The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued benefits approximate fair value due to the short-term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainly of future cash flows.

b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivable are from the provincial and federal government, therefore, credit risk is minimal.

11. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, either the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers'

Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP or STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through the Municipal Employees Pension Plan (MEPP), which is a multi-employer defined benefit plan. Pension expense for the year amounted to $163,777 (2001 - $143,905).

12. LEASE AGREEMENTS

The College is currently leasing certain land and buildings under leases that expire at various dates to May 1, 2024. Annual rentals under the leases for each of the next five years are as follows:

2003	-	$375,126
2004	-	$375,126
2005	-	$375,126
2006	-	$375,126
2007	-	$375,126

In addition, the College is currently leasing certain land and buildings under leases that are on a month-to-month basis at $7,766 per month.

13. MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

14. COMPARATIVE INFORMATION

Certain 2001 balances have been reclassified to conform with the current year's presentation.

Schedule 1

Northlands College
Schedule of Operating Revenues by Function
for the year ended June 30, 2002

	Admin	Programming					Support Services		2002	2002 Budget (note 8)	2001
	General	Non-Credit	Adult Education	Vocational Service	University	Other	Career Service	Student Service	Total	Total	Total
Saskatchewan Learning											
Admin recovery grant	$ 745,949	$ -	$ -	$ -	$ -	$ -	$ -	$ 41,840	$ 787,789	$ 579,394	$ 532,661
Base grant	3,088,592	-	-	-	-	-	-	-	3,088,592	3,030,359	2,765,766
Outreach fund	-	-	-	-	-	-	-	-	-	-	-
Program payments	-	11,634	1,560,732	2,794,894	25,438	187,603	149,013	-	4,729,314	4,206,703	4,363,134
Regional Service Branch payments	-	1,385	121,688	91,343	-	-	-	-	214,416	308,795	265,170
Other	-	-	-	-	-	-	-	-	-	772,856	686,723
	3,834,541	13,019	1,682,420	2,886,237	25,438	187,603	149,013	41,840	8,820,111	8,896,107	8,613,454
Federal Government											
Admin recovery	125,187	-	-	-	-	-	-	-	125,187	83,776	80,632
Seat purchases	-	27,976	385,198	331,643	-	-	-	-	744,817	627,572	634,101
Projects	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	71,431	-	-	-	16,946	-	88,377	54,000	34,798
	125,187	27,976	456,629	331,643	-	-	16,946	-	958,381	765,348	749,531
Other Revenue											
Admin recovery	105,346	-	-	-	-	-	-	-	105,346	141,138	123,416
Contracts	-	3,073	280,157	383,173	-	13,302	-	114,694	794,399	786,553	946,368
Interest	106,353	-	-	-	1,546	-	-	-	107,899	229,024	216,836
Rents	38,894	-	18,783	5,761	-	-	-	126,639	190,077	89,343	200,072
Resale items	-	-	99	109,185	18,107	1,703	-	86	129,180	107,504	109,557
Tuitions	-	21,261	214,946	254,313	55,220	-	-	-	545,740	285,705	292,611
Other	627,941	970	2,910	101,725	4,529	39,587	-	28,597	806,259	599,755	839,967
	878,534	25,304	516,895	854,157	79,402	54,592	-	270,016	2,678,900	2,239,022	2,728,827
Total revenues	4,838,262	66,299	2,655,944	4,072,037	104,840	242,195	165,959	311,856	12,457,392	11,902,477	12,091,812
Total expenses (schedule 2)	3,256,167	67,832	2,710,182	4,074,907	312,913	211,862	722,885	980,518	12,337,266	12,454,065	11,847,264
Excess (deficiency) of revenues over expenses	$ 1,582,095	$ (1,533)	$ (54,238)	$ (2,870)	$ (208,073)	$ 30,333	$ (556,926)	$ (668,662)	$ 120,126	$ (551,588)	$ 244,548

Northlands College
Schedule of Operating Expenses by Function
for the year ended June 30, 2002

	General Administration			Programming					Support Services		2002	2002 Budget (note 8)	2001
	Board	Admin	Org	Non-Credit	Adult Basic Education	Vocational Technical	University	Other	Career Services	Student Services	Total	Total	Total
Contractual & Professional Services	$ 645	$ 90,942	$ 36,046	$ 29,194	$ 263,503	$ 2,483,156	$ 80,416	$ 221,511	$ 15,188	$ 84,586	$ 3,305,187	$ 2,700,199	$ 3,612,054
Rentals	-	18,568	242,944	1,485	128,746	85,295	13,000	-	43,468	193,009	726,515	1,157,689	812,729
Repairs & Maintenance	117	50,818	138,221	115	23,828	27,156	-	(27,111)	5,960	38,633	257,757	382,609	267,869
Operating (Schedule 3)	83,712	240,713	293,754	17,677	449,693	745,714	43,389	8,045	78,325	158,617	2,119,639	2,148,815	1,754,770
Personal services	50,659	901,330	1,107,698	19,361	1,844,412	733,586	176,108	9,417	579,924	505,673	5,928,168	6,084,753	5,399,823
	$ 135,133	$ 1,302,371	$ 1,818,663	$ 67,832	$ 2,710,182	$ 4,074,907	$ 312,913	$ 211,862	$ 722,885	$ 980,518	$ 12,337,266	$ 12,454,065	$ 11,847,264

Schedule 3

Northlands College
Schedule of Operating Expenses
for the year ended June 30, 2002

	2002 Total	2002 Budget (note 8) Total	2001 Total
Advertising	$ 101,862	$ 73,685	$ 92,426
Association Fees & Dues	11,185	16,337	11,836
Bad Debts	(3,105)	26,626	3,716
Bank Charges and Interest	182	373	367
Computer Software	28,213	13,415	16,776
Conference and Training Fees	8,828	6,284	46,305
Equipment Purchases	145,360		80,560
Insurance	52,061	55,697	52,538
Materials & Supplies	431,990	481,385	347,525
Postal, Freight and Courier	39,580	37,613	36,201
Printing and Duplicating	85,085	76,776	74,831
Resale Items	123,826	156,665	94,958
Subscriptions	7,723	5,327	6,371
Telephone and Fax	109,787	152,453	112,477
Travel	550,220	514,436	479,590
Facilities	225,365	306,441	241,473
Other	201,477	225,302	56,820
	$ 2,119,639	$ 2,148,815	$ 1,754,770

Schedule 4

Northlands College
Schedule of Restricted Net Assets Transactions
for the year ended June 30, 2002

	Beginning Balance	Appropriations to net assets	Appropriations from net assets	Ending Balance
Externally Restricted				
	$ -	$ -	$ -	$ -
	-	-	-	-
	-	-	-	-
	-	-	-	-
Internally Restricted				
Capital Equipment Purchase Reserve	97,390	-	72,390	25,000
Building Capital Reserve	-	200,000	-	200,000
Building Maintenance Reserve	175,500	150,000	180,250	145,250
Information Technology Reserve	106,607	53,801	40,578	119,830
Training & Education Reserve	461,088	187,746	249,868	398,965
	$ 840,585	$ 591,547	$ 543,086	$ 889,045
	$ 840,585	$ 591,547	$ 543,086	$ 889,045

Northlands Regional College
Personal Service Listing
for the year ended June 30, 2002
"Unaudited"

Listed are individuals(excluding unionized employees) who received $2,500 or more for salaries, wages, honorariums, and compensation for personal service.
This listing will included: Gross salary + gross bonus + honorariums + compensation for personal service = Personal Service.
(No travel reimburements, transfers or other expenditures will be included).

Daigneault, Joe	$	73,446
D'Amour, Denise	$	69,497
Deschambeault, Georgina	$	5,620
Gardiner, Louis	$	17,240
Gordon, Calla	$	46,402
Goulet, Ordean	$	65,997
Janvier, Emilien	$	5,815
Lennard, Jo-Anne	$	46,982
Mayotte, Peter	$	76,818
McLaughlin, Bill	$	96,432
Morin, Brian	$	6,660
Morin, Harry	$	2,790
Rediron, Sandy	$	6,520
Unionized employees	$	4,163,572
Walker, Gail	$	72,314
Wheeler, Therese	$	5,990
Total	$	4,762,095

Northlands College
Supplier Payment Listing
for the year ended June 30, 2002
"Unaudited"

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

"Express It"	$	20,830
615385 Saskatchewan Ltd.	$	52,002
Acklands-Grainger Inc.	$	81,987
Assoc. of Saskatchewan Regional Colleges	$	24,500
Associated Engineering	$	36,372
ATAP Infrastructure Management	$	112,083
Athabasca Economic Dev't. &	$	30,580
Athabasca Labour Services Ltd.	$	40,000
Blue Cross	$	133,524
Canoe Lake Forest Products Ltd.	$	65,466
Chartier Wood Products	$	66,380
Cypress Sales Partnership	$	123,529
Dell Computer Corporation	$	76,936
Econo Lumber	$	23,008
Grand & Toy Ltd.	$	76,190
Hood Logging Equipment Canada	$	49,833
Ile a la Crosse School Div. #112	$	35,000
Jagg Enterprise Inc.	$	49,362
La Ronge Motor Hotel Limited	$	35,343
Meadow North Agencies Ltd.	$	24,647
Melfort School Division #100	$	33,000
Methy Const. Main. Corp.	$	44,409
Methy Pathways Board Inc.	$	37,277
Metis Employment & Training of	$	36,385
Minister of Finance	$	87,629
Nightingale Nursing Group Inc.	$	72,677
Nortep/Norpac	$	82,663
North West Sask. Metis Council	$	61,938
Northcote Metis Dev. Corp.	$	27,057
Northern Grocers Inc.	$	63,907
Northern Lights School Div. #113	$	54,971
Northway Janitorial Service	$	49,511
Northwest Industrial Training	$	23,000
PADC Management Co.	$	35,114
Pearson Education of Canada	$	22,074
Peter Ballantyne Cree Nation	$	33,841
Pinehouse Business North	$	61,200
Pineland Co-operative Assn.	$	38,330
Post-Secondary Education and	$	32,854
Prairie Controls Ltd.	$	24,303
Receiver General for Canada	$	1,578,385
Redline Contracting	$	21,182

Northlands College
Supplier Payment Listing
for the year ended June 30, 2002
"Unaudited"

Continued

S.G.E.U.	$	68,770
Sask Power	$	60,288
Sask Property Management Corp.	$	589,149
SaskTel CMR	$	107,524
Sask. Indian Institute of	$	230,672
Sask. Municipal Superannuation	$	328,454
Sask. Teachers' Federation	$	71,362
Sask. Tourism Authority	$	28,681
Sask. Workers' Compensation	$	20,945
SGEU Long Term Disability	$	45,127
SIAST Kelsey Campus	$	32,988
SIAST Wascana Campus	$	72,351
SIAST Wascana Campus Bookstore	$	31,056
SIAST Woodland Campus	$	840,436
SIAST Woodland Campus Bookstore	$	68,391
Stonefield Systems Group, Inc.	$	20,679
Superior Propane Inc.	$	63,913
Supreme Basics	$	29,465
Teachers Superannuation Fund	$	45,762
The Co-operators	$	22,870
The Great-West Life Assurance	$	21,903
The Star Phoenix	$	31,575
Transwest Air	$	51,890
University of Manitoba	$	39,671
University of Saskatchewan UOFS	$	33,114
University of Saskatchewan UOFSRE	$	21,165
Watt Agencies Inc.	$	23,629
Woodland Cree Enterprises Inc.	$	68,144
Zsar Holdings & MP Equities	$	187,440
Total	$	6,936,693